

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SAN JOSE FINANCING AUTHORITY APPROVING AND AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF LETTER OF CREDIT REIMBURSEMENT AGREEMENTS RELATING TO THE CITY OF SAN JOSE FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2008B (CIVIC CENTER GARAGE REFUNDING PROJECT), APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST AND A FIRST SUPPLEMENT TO REMARKETING AGREEMENT RELATING THERETO, APPROVING THE REMARKETING MEMORANDUM RELATING THERETO, AND AUTHORIZING OTHER RELATED ACTIONS

WHEREAS, the City of San José (the "City") and the Redevelopment Agency of the City of San José have heretofore entered into a Joint Exercise of Powers Agreement establishing the City of San José Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its instruments of debt to finance and refinance the acquisition, construction and improvement of certain public capital improvements; and

WHEREAS, the Authority has heretofore determined to adopt and implement a program under which the Authority will provide financing and refinancing for certain public capital improvements; and

WHEREAS, on July 10, 2008, pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code and an Indenture of Trust dated as of July 1, 2008 (the "Indenture"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Authority issued its \$36,580,000 initial aggregate principal amount of City of San José Financing Authority Lease Revenue Bonds, Series 2008B (Civic Center Garage Refunding Project) (the "Series 2008B Bonds") in order to refinance the City's acquisition and construction of a parking garage located across from the City's Civic Center at 50 North Fourth Street and certain other improvements related to the City's Civic Center; and

WHEREAS, concurrently with the delivery of the Series 2008B Bonds, the Authority and the City caused to be delivered to the Trustee an irrevocable direct-pay letter of credit (the "Credit Facility") issued severally, but not jointly, by Bank of America, N.A., and the California State Teachers' Retirement System (collectively, the "Credit Provider") in order to provide support for the payment of the principal of and interest on the Series 2008B Bonds, and the purchase price of the Series 2008B Bonds upon the optional or mandatory tender thereof; and

WHEREAS, the Authority and the City now desire to deliver to the Trustee an irrevocable direct-pay letter of credit (the "Series 2008B-1 Credit Facility") issued by Bank of America, N.A. (the "Series 2008B-1 Credit Provider"), and an irrevocable direct-pay letter of credit (the "Series 2008B-2 Credit Facility") issued by Union Bank, N.A. (the "Series 2008B-2 Credit Provider"); and

Credit Provider”), in substitution for the Credit Facility initially delivered by the Credit Provider; and

WHEREAS, in connection with the issuance and delivery of the Series 2008B-1 Credit Facility, the Authority and the City will enter into a Letter of Credit Reimbursement Agreement (the “Series 2008B-1 Credit Agreement”) and an agreement related to the payment of fees in connection with the Series 2008B-1 Credit Facility (the “Series 2008B-1 Fee Agreement”) with the Series 2008B-1 Credit Provider; and

WHEREAS, in connection with the issuance and delivery of the Series 2008B-2 Credit Facility, the Authority and the City will enter into a Letter of Credit Reimbursement Agreement (the “Series 2008B-2 Credit Agreement”) and an agreement related to the payment of fees in connection with the Series 2008B-2 Credit Facility (the “Series 2008B-2 Fee Agreement”) with the Series 2008B-2 Credit Provider; and

WHEREAS, in connection with the issuance and delivery of the Series 2008B-1 Credit Facility and the Series 2008B-2 Credit Facility, the Authority is supplementing and amending the Indenture pursuant to a First Supplemental Indenture of Trust (the “First Supplemental Indenture”) between the Authority and the Trustee, in order to revise certain provisions of the Indenture, including the re-designation of the Series 2008B Bonds into two series known as the “Series 2008B-1 Bonds” and the “Series 2008B-2 Bonds”, to allow for the delivery of two separate irrevocable direct-pay letters of credit from two different banks as credit and liquidity support for the Series 2008B-1 Bonds and the Series 2008B-2 Bonds; and

WHEREAS, in connection with the execution and delivery of the First Supplemental Indenture, the Authority and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as successor by merger to Banc of America Securities LLC, as the remarketing agent for the Series 2008B Bonds (the “Remarketing Agent”), will enter into a First Supplement to Remarketing Agreement (the “First Supplement to Remarketing Agreement”) with the Authority in order to allow the Series 2008B-1 Bonds and the Series 2008B-2 Bonds to be remarketed in accordance with the provisions of the First Supplemental Indenture; and

WHEREAS, there has been prepared a form of Remarketing Memorandum to be used in connection with the remarketing of the Series 2008B-1 Bonds and the Series 2008B-2 Bonds by the Remarketing Agent in order to update certain information relating to the Series 2008B-1 Bonds and the Series 2008B-2 Bonds; and

WHEREAS, the Governing Board (the “Board”) of the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the City of San José Financing Authority as follows:

Section 1. Approval of First Supplemental Indenture. The Board hereby approves the First Supplemental Indenture in the form posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein

as the Executive Director of the Authority (the "Executive Director"), or the authorized designees of the Executive Director (which may include representatives of the City) (each, a "Designated Officer"), shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the final form of the First Supplemental Indenture for and in the name and on behalf of the Authority.

Section 2. Approval of Series 2008B-1 Credit Facility, Series 2008B-1 Credit Agreement and Series 2008B-1 Fee Agreement. The Board hereby approves the use of the Series 2008B-1 Credit Facility to provide credit and liquidity support for the Series 2008B-1 Bonds and authorizes the Designated Officers, each acting alone, to take all actions as they deem necessary to ensure the delivery of the Series 2008B-1 Credit Facility by the Series 2008B-1 Credit Provider. The Board hereby approves the Series 2008B-1 Credit Agreement and the Series 2008B-1 Fee Agreement in the forms posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the final form of the Series 2008B-1 Credit Agreement and the Series 2008B-1 Fee Agreement, in the name of and on behalf of the Authority. The Authority hereby authorizes the performance by the Authority of its obligations under both the Series 2008B-1 Credit Agreement and the Series 2008B-1 Fee Agreement.

The Board hereby authorizes the Designated Officers, each acting alone, to execute and deliver one or more extensions to the Series 2008B-1 Credit Facility or the commitment available under the Series 2008B-1 Credit Agreement for any duration of time that they deem necessary, advisable or prudent, without the approval of this Board, provided that no such extension shall require an annual fee in excess of 2.50% of the commitment available under the Series 2008B-1 Credit Agreement if the Series 2008B-1 Bonds have an underlying rating of not less than A3/A-/A- by Moody's Investors Service, Inc., Standard & Poor's Rating Services and Fitch Ratings, respectively.

Section 3. Approval of Series 2008B-2 Credit Facility, Series 2008B-2 Credit Agreement and Series 2008B-2 Fee Agreement. The Board hereby approves the use of the Series 2008B-2 Credit Facility to provide credit and liquidity support for the Series 2008B-2 Bonds and authorizes the Designated Officers, each acting alone, to take all actions as they deem necessary to ensure the delivery of the Series 2008B-2 Credit Facility by the Series 2008B-2 Credit Provider. The Board hereby approves the Series 2008B-2 Credit Agreement and the Series 2008B-2 Fee Agreement in the forms posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute and deliver the final form of the Series 2008B-2 Credit Agreement and the Series 2008B-2 Fee Agreement, in the name of and on behalf of the Authority. The Authority hereby authorizes the performance by

the Authority of its obligations under both the Series 2008B-2 Credit Agreement and the Series 2008B-2 Fee Agreement.

The Board hereby authorizes the Designated Officers, each acting alone, to execute and deliver one or more extensions to the Series 2008B-2 Credit Facility or the commitment available under the Series 2008B-2 Credit Agreement for any duration of time that they deem necessary, advisable or prudent, without the approval of this Board, provided that no such extension shall require an annual fee in excess of 2,50% of the commitment available under the Series 2008B-2 Credit Agreement if the Series 2008B-2 Bonds have an underlying rating of not less than A3/A-/A- by Moody's Investors Service, Inc., Standard & Poor's Rating Services and Fitch Ratings, respectively.

Section 4. First Supplement to Remarketing Agreement. The Board hereby approves the form of the First Supplement to Remarketing Agreement posted on the agenda webpage for this joint meeting of the Authority and the City, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are authorized to execute and deliver the final form of the First Supplement to Remarketing Agreement.

Section 5. Remarketing Memorandum. The Board hereby approves the form of the Remarketing Memorandum posted on the agenda webpage for this joint meeting of the Authority and the City, together with such changes or additions thereto as the Designated Officers, each acting alone, shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority. The Designated Officers, each acting alone, are hereby authorized to execute the final form of the Remarketing Memorandum with such changes or additions as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with the City Attorney, as counsel to the Authority, and the execution of the final Remarketing Memorandum by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Board hereby authorizes the distribution of the final Remarketing Memorandum by the Remarketing Agent.

Section 6. Official Actions. The Designated Officers, the Secretary of the Authority and any and all other officers of the Authority are hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in connection with the execution and delivery of the First Supplemental Indenture, the Series 2008B-1 Credit Agreement, the Series 2008B-1 Fee Agreement, the Series 2008B-2 Credit Agreement, the Series 2008B-2 Fee Agreement and the First Supplement to Remarketing Agreement, and the remarketing of the Series 2008B-1 Bonds and the Series 2008B-2 Bonds.

ADOPTED this 5th day of October, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

Chair, City of San José Financing
Authority

ATTEST:

Secretary, City of San José
Financing Authority